

66th YEAR

VOLUME 66  
NUMBER 12

RICHMOND, VA., THURSDAY, JANUARY 13, 1916.—TWELVE PAGES.

WEATHER  
PAGE 4 —RAIN.

PRICE, 2 CENTS

**GOVERNOR ASKS  
POWER TO ENFORCE  
PROHIBITION LAWS**Says Strengthening of Ex-  
ecutive's Hands Necessary  
by Adequate Legislation.CANNOT ALWAYS DEPEND  
ON LOCAL AUTHORITIESGeneral Disregard of Law and  
Courts as Great an Evil  
as Intemperance.

SESSION OF 1916 IS OPENED

Preliminaries of Organization Are  
Gone Through With in  
Both Houses.

Overshadowing in significance the more or less perfunctory ceremonial incident to the convening of the General Assembly of 1916 yesterday was Governor Stuart's first message to the new Legislature—a document which addressed itself in clear-cut language, and without compromise to two great questions with which the lawmakers will deal at this session: taxation and prohibition.

Significant in the extreme was the Governor's warning that a supine assumption on the part of the Legislature in its first statement of community will in all cases perform their duty with respect to the enforcement of prohibition laws would lead to disastrous consequences.

Having declared that prohibition shall prevail throughout the State in every community, regardless of the will of that community, the State, said the Governor, must step in and enforce the law where the local communities fail to do so. This, he believes, can be accomplished only by strengthening the central power of the State—specifically, by vesting the chief executive with authority which the Constitution, by its language, intended, but which actually is, in a large measure, withheld.

WANTS AUTHORITY TO

DEAL WITH LAWLESSNESS

There is an almost unmistakable reference to the situation at Hopewell in that passage of the Governor's message which draws attention to the central authority's handicap in dealing with lawlessness of an emergency character. The success of the Governor in law enforcement, he points out, is largely dependent upon the ability and willingness to co-operate on the part of local officers over whom the Governor is given no expressed authority.

This condition, said the Governor, brings the central authority of the State and its chief executive in a position of dependency, renders the local government superior to the State government and makes Virginia, so far as the enforcement of the criminal laws is concerned, a helpless aggregation of independent counties and cities, instead of a sovereign State responsible for the execution of her laws throughout her borders.

"Such a policy," concludes the Governor, "is totally unfit for the enforcement of a law in which the habits and customs of our people are involved and concerning which there was such marked and recent division of sentiment among our people, especially in our large centers of population."

WANTS PLAIN, STRONG,

ENFORCEABLE LAWS

The Governor summarizes his position by advising the Legislature to translate the prohibition sentiment of the State into plain, strong and enforceable laws.

With reference to taxation, the Governor expresses the belief that the surplus in the Treasury, together with the large amount already collected and collectible from omitted assessments of previous years, will provide an ample reserve fund to carry the new plan of taxation to a point where the increasing revenue arising from natural causes from year to year will give to the State revenue sufficient for all purposes.

The Governor addresses himself pointedly to the tendency in some quarters to discredit the tax on intangibles—now the State's chief source of income—by enlarging upon its inequitable character. Having inaugurated a new system which has brought under taxation large sums of hitherto untaxed property to the great relief of the average taxpayer, shall the people of the State, the Governor asks, "be cheated out of their long-delayed advantage by the hue and cry raised by interested parties against the methods necessary to reach and maintain substantial results?"

MUST DISCOVER

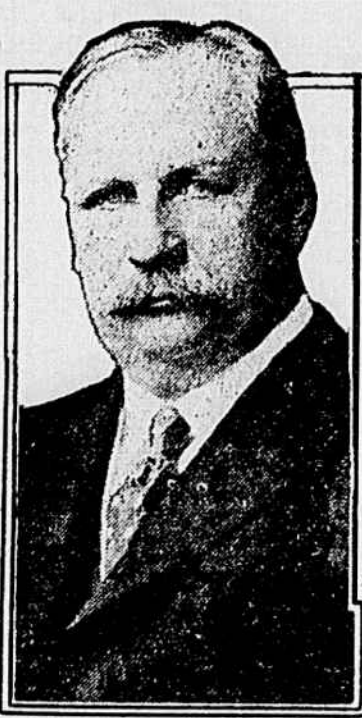
OMITTED INTANGIBLES

It is essential, thinks Governor Stuart, if the State's interests are to be protected, that the means of discovering undeclared intangible property shall be maintained and, if need be, supplemented and strengthened. Failure on the part of the State to collect this revenue from these sources hitherto untaxed, he points out, must result in reimposing a large part, or all, of the State tax of 35 cents on the \$100 formerly applying to real estate and tangible personal property, thus placing additional burdens on property already taxed because of the failure of the State to provide and maintain ways and means to discover untaxed property.

The message was read at length in the House of Delegates, and was heard with close attention by the members. In the Senate it was ordered printed for distribution to the members. The message is the first of a series of three that will be sent to the General Assembly.

(Continued on Third Page.)

## Sends Annual Message



GOVERNOR HENRY C. STUART.

**SAYS MANUFACTURERS  
ARE NOT OVERTAXED**State Advisory Board Files Its First  
Report on Working of Segre-  
gation System.

RECOMMENDS AMENDMENTS

Would Make Provisions as to Tax on  
Capital in Business "Equitable,  
Just and Fair"—Present Law Creates  
Hardship on Some Classes.

Reporting critically upon the new tax system that has been in force since last March, the State Advisory Board on Taxation, in its first statement to the General Assembly yesterday, advised the Legislature to address itself with care to the amendment of the provisions relating to the taxing of manufacturers, with the view of devising a law that shall be "equitable, just and fair."

In making this recommendation, the board expressly refuses to admit, however, that manufacturers in this State, as has been claimed, are, as a class, overtaxed. The present law, the board believes, creates a hardship on some classes of manufacturers, and for this reason there should be reasonable revision.

Complaint against this feature of the new tax system found expression last month in a concerted movement of leading manufacturers directed towards impressing the advisory board with the necessity for relief. A meeting was held in Richmond and a committee was designated to take the matter up with the board.

MANUFACTURERS COMPLAIN

OF TAXATION OF CAPITAL.

Specifically, the manufacturers complained of the administration of the law with reference to the taxation of their capital. It was claimed with considerable force and persistence that only net capital of manufacturers should be taxed, and that against their gross assets they should be allowed to offset all bills payable or debts due by them. It was claimed that under this plan manufacturers would be taxed upon their intangibles in the same way as owners of bonds or stocks, such owners having the right to deduct their indebtedness from the total value of their bonds or debts due them.

"This board has been impressed by this claim," the advisory board reports to the General Assembly. "And yet is of the opinion that the manufacturers in this State are not, as a class, overtaxed, and that any plan which may be devised should yield revenue in excess of the amount assessed for 1915—\$250,000 in round figures—against this class of taxpayers, the total assessed value being, in round numbers, \$50,000,000, on which the State rate of taxation is 65 cents on the \$100."

WITHOUT INFORMATION

AS TO AGGREGATE SALES

To the suggestion that a license tax based upon aggregate sales be substituted for the tax on capital, the board replies that it cannot at this time recommend this plan, because it is without accurate knowledge as to the aggregate sales of the manufacturers, and is hence unable to suggest what would be a proper rate.

The board believes that there is merit in the suggestion that manufacturers be taxed on their net capital at a rate greater than the rate on other intangibles. In this way, the board suggests, the profits of the business could be made to bear their fair proportion of the public burden.

"Still another suggestion," the board reports, "concluding its reference to this point, 'is that the normal, or average, capital used by the manufacturer, whether borrowed or not, shall be ascertained, and that upon this amount of normal capital the proper rate be applied.'"

NOT PREPARED TO MAKE

DEFINITE RECOMMENDATION

"As at present advised, this board is not prepared to make a definite recommendation. We would, therefore, say we believe that the present law creates a hardship upon some classes of manufacturers, and that the whole subject should have the careful attention of the General Assembly, with a view of devising a law that shall be equitable, just and fair. We are informed that certain bills have been prepared and will be presented by the manufacturers who complain of the present system, and they should receive considerable attention, but careful scrutiny, and their effect upon the revenues of the State fully determined before they are enacted into law."

The board touches pertinently upon

(Continued on Fifth Page.)

**ONLY 39 AGAINST  
COMPULSION BILL**Passes Second Reading in House  
of Commons Amid Scenes  
of Great Enthusiasm.

NEW VICTORY FOR ASQUITH

Three Labor Members of Minis-  
try Temporarily Withdraw  
Resignations.

LONDON, January 12.—Amid scenes of uproarious enthusiasm, the House of Commons at 11 o'clock to-night defeated a motion to reject the military service bill by a vote of 431 to 39. Immediately afterward the house acceded to the Premier's request by passing the second reading of the bill without division.

The vote was chiefly interesting on account of the changed attitude of many of the 105 members who opposed it on the first reading.

The debate was closed by Arthur Henderson, president of the board of education, in a much-applauded speech. He closed with the statement:

"I have the authority of Earl Kitch-

ener and the general staff that we re-

quire at once, not only the unmarried

men enrolled under the Derby scheme,

not only the married men who are

waiting to be called, but also the

whole available part of the 650,000

men with whom this measure deals."

OPPOSITION CRUMBLES

TO FEW OBJECTORS

The opposition in the House of Com-

mons to the conscription bill crumbled

to-night to a few conscientious ob-

jectors. A fortnight ago the anti-com-

pulsionsists claimed 260 votes, but on

the first reading they were able to muster

only 105, of whom more than one-half

were Irish Nationalists.

When it came to the second reading of the bill to-night the Irish Nationalists had withdrawn from the opposition.

The result appears to have been due partly to evidence that the country favors the measure and partly to Mr. Asquith's often-displayed facility at conciliation. The Premier held a conference with the executive committee of the Labor party and Labor members of the House of Commons this afternoon, at which he induced the three

Labor members of the ministry to with-

draw their resignations temporarily,

and apparently made a strong impres-

sion on the members of the executive

committee.

ASQUITH GIVES ASSURANCES

OF NO ULTERIOR MOTIVES

The Labor men asked for assurances that the bill should not be used as a step towards general conscription of industrial conscription. Mr. Asquith gave the promise that the bill would be modified to safeguard it from any suspicion that it could be used for such purposes. After an appeal for labor's support, he withdrew to permit the representatives to discuss their policy.

The Nationalist members, after voting

against the bill on the first reading,

now take the attitude that it does not

concern them, although they are op-

posed to conscription on principle, since

it applies only to the larger island

of Great Britain.

Fog Envelops Coast

Ships at Sea Proceed Cautiously, and

Activities in Port Are

Suspended.

NORFOLK, VA., January 12.—(Radio-

tel.) The entire Atlantic coast from

Norfolk to Hatteras is enveloped in a

dense fog to-night. Ships are pro-

ceeding cautiously, and many are at

anchor in Hampton Roads awaiting

clear weather before starting to sea.

The fog was so thick at Cape Henry

to-day the government observer was

unable to distinguish vessels passing

in or out of Chesapeake Bay.

Shipping Is Suspended.

NEWPORT NEWS, VA., January 12.—

A heavy blanket of fog to-day caused

shipping activities at this port to be

temporarily suspended. No vessels en-

tered or left the port, although there

are several steamers overdue and a

few ready to sail. Fog bells and horns

drawed all other sounds along the

waterfront.

W. C. HAMMER ACCUSED

U. S. Attorney for Western North Caro-

lina District Charged With Violat-

**FATE OF BELGRADE  
AWAITS CETINJE**Montenegrin Capital Cannot Long  
Withstand Overwhelming  
Strength of Austrians.

SERIOUS ASPECTS FOR ITALY

Conquest of Little Kingdom Re-  
garded as Serious Menace to  
Allies at Saloniki.

LONDON, January 12.—Cetinje, the capital of Montenegro, is now likely to suffer the fate of Belgrade, and British observers are already asking anxiously what menace the Austrian conquest of Montenegro is likely to hold over the allies at Saloniki. Fighting is going on all around Cetinje, the small town which nearly a year ago ceased to be the seat of the Montenegrin government. Never before in the long history of the little Montenegrin kingdom has it been compelled to bow to a foreign conqueror, but there seems little hope that it can long withstand the overwhelming strength of General Koessov in men and guns.

As in Serbia's case, the entente press finds it inexplicable why Italian assistance was not sent long ago to Lovcen, which, it is said, could have been rendered impregnable with a comparatively small number of re-enforcements and a few heavy guns. The reduction of Montenegro, the press points out, will enable Austria, not only to command the Adriatic, but also threaten the flank of any advance from Saloniki and prevent any effective move by the entente forces through Albania.

LONG ITALIAN PENINSULA

PECULIARLY VULNERABLE

For Italy the new Austrian success has a most serious aspect. The long, narrow Italian peninsula is peculiarly vulnerable to an attack from the sea. Any really great naval base in the magnificent harbor of Cattaro would have been impossible without Lovcen, but under the new circumstances Austria's possession of Cattaro is almost as great a menace to Italy as the German conquest of Calais would have been to Great Britain.

While attention is centered on the developments on the Adriatic coast, it is announced from Rome that two Italian transports, the Brindisi and Citta di Palermo, last week struck mines and sank. A majority of the crews was saved.

On the Russian front the Austrian official communication records renewed desperate attacks by the Russians on the Bessarabian frontier, but insists that the attacks everywhere were repulsed. The Petrograd communication is silent on the subject, but the Russians usually withhold mention of their movements until they are well on the road to completion.

There have been no important developments on the western front. The blowing up of a large German munition depot near Lille is admitted in the German communication. According to one account, this was due to a British air raid. The English press believes that the cautious wording of the German communication conceals a disaster of large proportions.

GREAT SPIRIT OF OPTIMISM

IN BRITAIN AND FRANCE

There is a great spirit of optimism in both British and French dispatches from the western front, the correspondents expressing the firm conviction of the allied generals that there is no possibility of any successful German offensive anywhere in the western lines.

The correspondent of Reuter's Telegram Company sends from British headquarters an interview with an unnamed prominent staff officer, who was quoted as saying:

"We now have full information about the German forces facing us. We know their exact positions and strength. We everywhere outnumber the Germans, and so outnumber them in both field and heavy artillery, and our weapons are better than theirs. We can fire five shells to their one, without depleting our munitions. We can take their first line of trenches whenever we wish."

"To say that we have got them beaten is dangerous rubbish, but the truth is, we have got them ready for a beating."

BERLIN REPORTS DESTRUCTION

OF AMMUNITION DEPOT

BERLIN, January 12 (via London).—

An ammunition depot in the southern

section of Lille, Northern France, has

been blown up. An official announce-

ment says that seventy persons were

killed and forty injured. Considerable

damage to property was done.

FRENCH DETACHMENT LANDS

ON GREEK ISLAND OF CORFU

LONDON, January 12.—A French de-

tachment has been landed on the Greek

island of Corfu for provisional occupa-

tion, according to an Athens dispatch

to Reuter's. Fourteen ships of un-

known nationality are cruising around

Corfu.

VON BUELOW SUMMONED

Former German Chancellor Called to

Berlin on Account of Kaiser's

Illness.

PARIS, January 12.—A Rome dispatch to the Journal says it has been learned from the Duke of Adragna, brother of the wife of Prince von Buelow, former German Chancellor, that on account of Emperor William's illness the prince has been summoned suddenly to Berlin from Switzerland where he has been staying for several months.

Cold Wave

The Weather Bureau last night

issued the following bulletin:

Temperature will fall to about 10

degrees in the interior and 15 de-

grees on the coast Friday morning.

**NO SIGN OF CHANGE  
IN MEXICAN POLICY**Developments at Washington  
During Day in New Mexican Case

What was actually done at Wash-  
ington yesterday in the Mexican  
situation may be thus summarized:

1. Secretary of State Lansing sent through the United States consul at Queretaro a formal "request" on Carranza that the perpetrators of the "unlawful crime" be pursued and punished.

2. Word was received from the American consul at El Paso that Carranza troops are already in pursuit of the murderers, and that the bodies of the slain Americans were being sent to El Paso, as the State Department requested.

3. Decision was made by the State Department to submit all the facts to the Senate, leaving to Congress the determination of whether any change of policy is demanded.

4. There was a sensational out-  
break in the Senate of a storm of  
indignation, and passionate demands

for armed intervention, but the  
course of the administration is not  
without its defenders.

5. In several quarters consideration was given to the suggestion that "armed co-operation" be offered Carranza in lieu of actual intervention, the latter course appearing impossible in view of the President's recognition of the Carranza government.

6. Two resolutions—both calling for armed intervention—were in-  
troduced, in the Senate by Senator  
Sherman, of Illinois; in the House by  
Representative Dyer, of Missouri.

7. Secretary Lansing emphasized the difference between the rights of Americans in belligerent ships on the high seas and their rights on foreign soil—by way of explaining why Mexicans have been negligent to keep out of Mexico, and not warned to keep off belligerent passenger ships.

**LOPEZ, VILLA CHIEFTAIN,  
BLAMED FOR MASSACRE**Twenty Bandits Attack Train, While  
200 More Stand By as  
Reserve Force.

DEATH LIST INCREASED TO 19

Thomas B. Holmes, Sole American  
Survivor of Outrage, Reaches Bor-  
der in State of Collapse—Tells of  
His Experiences.

EL PASO, TEX., January 12.—The number of foreigners murdered west of Santa Ysabel on Monday afternoon by Mexican bandits was placed at nineteen late to-day. It was authoritatively stated that General Pablo Lopez, a Yaqui chieftain, closely allied with General Francisco Villa, ordered the massacre. About twenty bandits attacked the train, it was said, while 200 were grouped as a reserve at one side of the right of way.

Arrivals from Chihuahua City said that a troop train of twenty cars, conveying between 500 and 1,000 Carranza troops, had preceded the mining company special by about fifteen minutes. The engine and two cars of this train were said to have been derailed by the bandits, in order to stop the passenger train of Americans. What became of the Carranza soldiers, if they were in the military train, could not be learned here.

REVISED LIST

OF THE CASUALTIES

A revised list of the casualties fol-

lows:

C. R. Watson, El Paso.

W. J. Wallace, El Paso.

M. B. Romero, El Paso.

T. M. Evans, Chihuahua City.

C. A. Pringle, San Francisco.

Maurice Anderson, Chihuahua.

R. P. MacHatten, El Paso.

R. W. Gony, El Paso.

E. Alexander, O. H. Douglas, Ariz.

Charles Wadleigh, Bisbee, Ariz.

E. L. Robinson, El Paso.

G. W. Newman, El Paso.

C. W. Haze, Miami, Ariz.

R. H. Simmons, El Paso.

W. D. Pearce, Los Angeles.

J. W. Woom, El Paso.

Thomas Johnson, address unknown.

Joe Enders, Hayden, Ariz.

Romero was a Mexican; Couch a Canadian; and Robinson an Englishman.

Thomas B. Holmes, the sole American survivor of the massacre, reached the border here about noon in a state of collapse.

HOLMES GIVES VERSION

FOR STATE DEPARTMENT

Following is the statement of Mr.

Holmes, as given to the State Depart-

ment and press to-night:

"Our train left Chihuahua City Mon-

day morning, January 10, at about 11

o'clock. The train was stopped at or

about the ranch Barza, a point about

five miles west of Santa Ysabel, be-

tween 1:30 and 2 o'clock that after-

noon. While the train was standing

at the station of Santa Ysabel two

armed Mexicans rode by and scruti-

nized the train. The Mexican passen-

gers at Santa Ysabel told me after-

wards that the riders had inquired if

there were any soldiers on the train.

At the point of the massacre our train

was stopped in a cut, so that the last

car was just inside of the cut. We

were stopped by another train—the

front truck of one of the coal cars of

which was seen to be off the track.

**ACT OF MEXICAN BANDITS  
STIRS IRE OF CONGRESS**Intervention Regarded as Inevitable  
Unless Carranza Can Give Pro-  
tection to Foreigners.

IMMEDIATE ACTION DEMANDED

General Spirit of Resentment Aroused  
by Latest Atrocity, Which Most  
Conservative Leaders Find It Hard  
to Restrain.

WASHINGTON, January 12.—Con-  
gress was swept by a wave of im-  
passioned indignation to-day over the kill-  
ing of American citizens by Mexican  
bandits near Chihuahua. Demands for  
action came from members of both  
houses, and while the administration leaders  
counseled patience, even Senator Stone,  
chairman of the Senate Foreign Rela-  
tions Committee, admitted that if Car-  
ranza, after a fair trial, failed to pro-  
tect foreigners in Mexico, intervention  
was inevitable.

The atmosphere was surcharged  
with excitement when the Senate and  
House met, and the storm broke  
quickly. Senator Sherman, Republican  
of Illinois, introduced a resolution to  
express the sense of Congress that  
there should be intervention by the  
United States and Pan-American na-  
tions unless General Carranza could  
comply at once with a demand that he  
protect the lives and property of for-  
eigners. In